

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1191

Introduced by Assembly Member Patterson

February 22, 2013

An act to amend ~~Section 25301~~ *Sections 25304 and 25364* of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1191, as amended, Patterson. Energy: assessments and forecasts.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board, commonly known as the state board, as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. The state board is additionally required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. Pursuant to the act, the state board has adopted the Low Carbon Fuel Standard regulations.

Existing law requires, beginning November 1, 2003, and every 2 years thereafter, the State Energy Resources Conservation and Development Commission, commonly known as the California Energy Commission, to adopt an integrated energy policy report that contains an overview of certain topics including specified transportation forecasting and assessment activities.

This bill would require the California Energy Commission, commencing November 1, 2014, until November 1, 2020, to conduct

the transportation forecasting and assessment activities annually and, in conducting the transportation forecasting and assessment activities, to also evaluate the sufficiency of credits issued under the Low Carbon Fuel Standard regulations, as specified.

~~Existing law requires the State Energy Resources Conservation and Development Commission, at least every 2 years, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices.~~

~~This bill would make technical, nonsubstantive changes to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *California’s transportation energy sector provides citizens*
- 4 *and businesses with the means and mobility for many essential*
- 5 *activities. Industries, commercial businesses, households, transit*
- 6 *agencies, and governments, both state and local, rely on*
- 7 *transportation energy and expect that the necessary supplies will*
- 8 *be available for movement of goods and people over highways,*
- 9 *rail, waterways, and air. Transportation fuels also provide energy*
- 10 *for off-road, industrial, agricultural, commercial, military, and*
- 11 *recreational uses.*
- 12 (b) *State law charges the California Energy Resources*
- 13 *Conservation and Development Commission with the responsibility*
- 14 *of conducting transportation forecasting and assessment activities,*
- 15 *including, but not limited to, assessments of the risks of supply*
- 16 *disruptions, price shocks, or other events and the consequences*
- 17 *of these events on the availability and price of transportation fuels*
- 18 *and on the state’s economy.*
- 19 (c) *Under state law, these transportation forecasts and*
- 20 *assessments are included in the biennial integrated energy policy*
- 21 *adopted by the commission. For the purposes of ensuring*
- 22 *consistency in the underlying information that forms the foundation*
- 23 *of energy policies and decisions affecting the state, existing law*
- 24 *requires the State Air Resources Board and other state agencies*

1 *to carry out their energy-related duties and responsibilities based*
2 *upon the information and analyses contained in the report.*

3 *(d) In January 2007, Governor Schwarzenegger issued Executive*
4 *Order S-01-07, which established the goal of developing a low*
5 *carbon fuel standard (LCFS) to reduce the carbon intensity of*
6 *transportation fuels by at least 10 percent by 2020. The Executive*
7 *Order provides that the LCFS shall apply to all providers of*
8 *transportation fuels in California, shall be measured on a full fuels*
9 *cycle basis, and shall authorize compliance through market-based*
10 *methods.*

11 *(e) Executive Order S-01-07 directed the State Air Resources*
12 *Board to determine if the LCFS could be adopted as a discrete*
13 *early action measure under the California Global Warming*
14 *Solutions Act of 2006 and, if so, to consider adoption of the LCFS*
15 *on the list of Discrete Early Action Measures required to be*
16 *identified by June 30, 2007, pursuant to Section 38560.5 of the*
17 *Health and Safety Code.*

18 *(f) In 2010, the LCFS became fully operative through the*
19 *adoption of regulations by the State Air Resources Board in*
20 *Subarticle 7 (commencing with Section 95480) of Article 4 of*
21 *Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the*
22 *California Code of Regulations.*

23 *SEC. 2. Section 25304 of the Public Resources Code is*
24 *amended to read:*

25 25304. (a) The commission shall conduct transportation
26 forecasting and assessment activities to meet the requirements of
27 paragraph (2) of subdivision (a) of Section 25302 including, but
28 not limited to:

29 (a)

30 (1) Assessment of trends in transportation fuels, technologies,
31 and infrastructure supply and demand and the outlook for wholesale
32 and retail prices for petroleum, petroleum products, and alternative
33 transportation fuels under current market structures and expected
34 market conditions.

35 (b)

36 (2) Forecasts of statewide and regional transportation energy
37 demand, both annual and seasonal, and the factors leading to
38 projected demand growth including, but not limited to, projected
39 population growth, urban development, vehicle miles traveled, the

1 type, class, and efficiency of personal vehicles and commercial
2 fleets, and shifts in transportation modes.

3 (e)

4 (3) Evaluation of the sufficiency of transportation fuel supplies,
5 technologies, and infrastructure to meet projected transportation
6 demand growth. Assessment of crude oil and other transportation
7 fuel feedstock supplies; in-state, national, and worldwide
8 production and refining capacity; product output storage
9 availability; and transportation and distribution systems capacity
10 and use.

11 (4) *Evaluation of the sufficiency of credits issued under the Low
12 Carbon Fuel Standard regulations, including both of the following:*

13 (A) *Data on the projected and actual costs of credits.*

14 (B) *Availability and source of credits.*

15 (5) *Assessment of the excess or deficiency of credits, if any.*

16 (d)

17 (6) Assessments of the risks of supply disruptions, price shocks,
18 or other events and the consequences of these events on the
19 availability and price of transportation fuels and effects on the
20 state’s economy.

21 (e)

22 (7) Evaluation of the potential for needed changes in the state’s
23 energy shortage contingency plans to increase production and
24 productivity, improve efficiency of fuel use, increase conservation
25 of resources, and other actions to maintain sufficient, secure, and
26 affordable transportation fuel supplies for the state.

27 (f)

28 (8) Evaluation of alternative transportation energy scenarios,
29 in the context of least environmental and economic costs, to
30 examine potential effects of alternative fuels usage, vehicle
31 efficiency improvements, and shifts in transportation modes on
32 public health and safety, the economy, resources, the environment,
33 and energy security.

34 (g)

35 (9) Examination of the success of introduction, prices, and
36 availability of advanced transportation technologies, low- or
37 zero-emission vehicles, and clean-burning transportation fuels,
38 including their potential future contributions to air quality, energy
39 security, and other public interest benefits.

40 (h)

1 (10) Recommendations to improve the efficiency of
2 transportation energy use, reduce dependence on petroleum fuels,
3 decrease environmental impacts from transportation energy use,
4 and contribute to reducing congestion, promoting economic
5 development, and enhancing energy diversity and security.

6 (b) *Notwithstanding Section 25302, and commencing November*
7 *1, 2014, until November 1, 2020, the commission shall conduct*
8 *the transportation forecasting and assessment activities described*
9 *in this section annually.*

10 (c) *For purposes of this section, “Low Carbon Fuel Standard*
11 *regulations” means those regulations adopted by the state board*
12 *in Subarticle 7 (commencing with Section 95480) of Article 4 of*
13 *Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the*
14 *California Code of Regulations.*

15 *SEC. 3. Section 25364 of the Public Resources Code is*
16 *amended to read:*

17 25364. (a) Any person required to present information to the
18 commission pursuant to Section 25354 may request that specific
19 information be held in confidence. Information requested to be
20 held in confidence shall be presumed to be confidential.

21 (b) Information presented to the commission pursuant to Section
22 25354 shall be held in confidence by the commission or aggregated
23 to the extent necessary to assure confidentiality if public disclosure
24 of the specific information or data would result in unfair
25 competitive disadvantage to the person supplying the information.

26 (c) (1) Whenever the commission receives a request to publicly
27 disclose unaggregated information, or otherwise proposes to
28 publicly disclose information submitted pursuant to Section 25354,
29 notice of the request or proposal shall be provided to the person
30 submitting the information. The notice shall indicate the form in
31 which the information is to be released. Upon receipt of notice,
32 the person submitting the information shall have 10 working days
33 in which to respond to the notice to justify the claim of
34 confidentiality on each specific item of information covered by
35 the notice on the basis that public disclosure of the specific
36 information would result in unfair competitive disadvantage to the
37 person supplying the information.

38 (2) The commission shall consider the respondent’s submittal
39 in determining whether to publicly disclose the information
40 submitted to it to which a claim of confidentiality is made. The

1 commission shall issue a written decision which sets forth its
2 reasons for making the determination whether each item of
3 information for which a claim of confidentiality is made shall
4 remain confidential or shall be publicly disclosed.

5 (d) The commission shall not make public disclosure of
6 information submitted to it pursuant to Section 25354 within 10
7 working days after the commission has issued its written decision
8 required in this section.

9 (e) No information submitted to the commission pursuant to
10 Section 25354 shall be deemed confidential if the person submitting
11 the information or data has made it public.

12 (f) With respect to petroleum products and blendstocks reported
13 by type pursuant to paragraph (1) or (2) of subdivision (a) of
14 Section 25354 and information provided pursuant to subdivision
15 (h) or (i) of Section 25354, neither the commission nor any
16 employee of the commission may do any of the following:

17 (1) Use the information furnished under paragraph (1) or (2) of
18 subdivision (a) of Section 25354 or under subdivision (h) or (i) of
19 Section 25354 for any purpose other than the statistical purposes
20 for which it is supplied.

21 (2) Make any publication whereby the information furnished
22 by any particular establishment or individual under paragraph (1)
23 or (2) of subdivision (a) of Section 25354 or under subdivision (h)
24 or (i) of Section 25354 can be identified.

25 (3) Permit anyone other than commission members and
26 employees of the commission to examine the individual reports
27 provided under paragraph (1) or (2) of subdivision (a) of Section
28 25354 or under subdivision (h) or (i) of Section 25354.

29 (g) Notwithstanding any other provision of law, the commission
30 may disclose confidential information received pursuant to
31 *paragraph (1) of subdivision (a) of Section 25304 or Section 25354*
32 to the State Air Resources Board if the state board agrees to keep
33 the information confidential. With respect to the information it
34 receives, the state board shall be subject to all pertinent provisions
35 of this section.

36 ~~SECTION 1. Section 25301 of the Public Resources Code is~~
37 ~~amended to read:~~

38 ~~25301. (a) At least every two years, the commission shall~~
39 ~~conduct assessments and forecasts of all aspects of energy industry~~
40 ~~supply, production, transportation, delivery and distribution,~~

1 demand, and prices. The commission shall use these assessments
2 and forecasts to develop energy policies that conserve resources,
3 protect the environment, ensure energy reliability, enhance the
4 state's economy, and protect public health and safety. To perform
5 these assessments and forecasts, the commission may require
6 submission of demand forecasts, resource plans, market
7 assessments, and related outlooks from electric and natural gas
8 utilities, transportation fuel and technology suppliers, and other
9 market participants. These assessments and forecasts shall be done
10 in consultation with the appropriate state and federal agencies
11 including, but not limited to, the Public Utilities Commission, the
12 Division of Ratepayer Advocates, the State Air Resources Board,
13 the Independent System Operator, the Department of Water
14 Resources, the Department of Transportation, and the Department
15 of Motor Vehicles.

16 (b) In developing the assessments and forecasts prepared
17 pursuant to subdivision (a), the commission shall do all of the
18 following:

19 (1) Provide information about the performance of energy
20 industries.

21 (2) Develop and maintain the analytical capability sufficient to
22 answer inquiries about energy issues from government, market
23 participants, and the public.

24 (3) Analyze and develop energy policies.

25 (4) Provide an analytical foundation for regulatory and policy
26 decisionmaking.

27 (5) Facilitate efficient and reliable energy markets.